

## EXHIBIT G



## **BP** employee savings plan (ESP)

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## BP Employee Savings Plan (ESP)

### The BP Savings Plan can help ensure your financial future

The BP Employee Savings Plan is a 401(k) plan that lets you save a percentage of your eligible pay, up to legal limits, toward your retirement. You can elect to contribute on a before-tax, after-tax basis, or Roth 401(k) basis or a combination of all three.

BP matches 100% of every dollar you contribute, up to 7% of your eligible pay each pay period. As a participant in the plan, you can invest your savings in 175 funds available in the plan's Target Date Funds, Core Investment Options and Mutual Fund Window.

You have access to your account balance through the plan's loan provision, and, under certain conditions, you may take a withdrawal of a portion of your account while you're still working for BP. However, because the plan is designed to help you save for retirement, taxes and penalties may apply.

This plan is intended to be a "qualified retirement plan" under Section 401(a) of the Internal Revenue Code (the "Code") and to meet the requirements of Code Section 401(k) and Section 404(c) of the Code.

This summary is part of the plan prospectus. The complete prospectus includes:

- This summary of the BP Employee Savings Plan.
- The most recent *Investment Options Guide*\* brochure, including any *Updates*.
- The most recent Quarterly Investment Performance Statement.
- BP's most recent Annual Review.
- All documents incorporated by reference and future supplements to the above documents.
- Future supplements and amendments to this summary.

\* The *Investment Options Guide* is available at <http://www.netbenefits.fidelity.com>. Click on the **BP ESP** link, then **Plan Information and Documents**, and then **Plan Information**. Mutual fund prospectuses are available by selecting **Plan Literature** instead of Plan Information.

**Please note:** All references to ARCO heritage employees also include Vastar and CH-20 employees.

For more information, see:

- Eligibility and participation
- How the plan works
- Investment Options
- Receiving your benefits
- What happens if ...
- Administrative information
- How to file a claim under ERISA

Because this document is intended as a summary of a BP benefits plan, it is not intended to describe each plan provision in full detail. More complete details are contained in the governing plan documents (including applicable insurance policies). While we intend to update this summary on a regular basis, it is possible that at any point this summary may be neither current nor complete. Further, differences between this summary and the applicable plan document are not intended. If, however, any differences are found to exist, the relevant provisions of the applicable plan document - and not the summary - will govern.

BP reserves the right to amend or terminate a plan at any time without advance notice.

This summary constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

Publication date: November 2008

## Eligibility and participation

### Learn about the eligibility rules governing the Employee Savings Plan

#### Who is eligible

In general, you are eligible to participate in the BP Employee Savings Plan (ESP) if you are a full-time, part-time, occasional, temporary or term contract employee of a participating employer (and on a U.S. Dollar payroll).

A participating employer is an employer whose employees are eligible to participant in a BP benefits plan. The **participating employers** are:

- ARCO Aluminum Inc.
- Atlantic Richfield Company
- BP America Production Company
- BP Amoco Chemical Company
- BP Corporation North America Inc.
- BP Exploration (Alaska) Inc.
- BP Lubricants USA Inc.
- BP Pipelines (North America) Inc.
- BP Products North America Inc.
- BP Sakhalin Inc.
- Castrol Industrial North America Inc.
- Dome Petroleum Corp.

**Full-time employee:** An employee assigned a position that:

- Requires full-time service as determined by BP;
- Is established to fill regular and ordinary employment requirements; and
- Is expected to continue for an indefinite period of time.

**Part-time employee:** An employee assigned a position that is:

- Regular and ordinary in nature;
- Expected to continue for an indefinite period of time; and
- One in which the employee works a schedule that is less than that of a full-time employee but is at least 20 hours a week.

**Occasional employee:** An employee who works:

- An irregular schedule of hours that may include periods of full-time work, part-time work, and work that is less than 20 hours a week and that is expected to continue for either a definite or an indefinite period of time. The key with this type of occasional employee is that the work schedule is irregular or infrequent in nature; or
- A regular schedule that is less than 20 hours a week and that is expected to continue for either a definite or an indefinite period of time.

**Temporary employee:** An employee assigned to a position that:

- Requires full-time or part-time (not occasional) service as determined by BP;
- Requires a regular schedule of hours; and
- Will continue for a specified period of time or until the occurrence of a specified event, such as the return to work of a regular employee or the completion of a special assignment or project.

Interns and co-ops are considered temporary employees.

**Term contract employee:** An employee who is hired:

- Under the terms of a written employment contract to perform a specific job on a full-time basis.

- It is expected that the job will be completed one to three years after employment begins.

You are eligible to enroll in the plan on your first day of employment or as soon as administratively possible if you meet the above requirements and are not excluded in one of the categories outlined in **Who is not eligible**.

## Who is not eligible

Regardless of your employee classification, you are not eligible to participate in the BP Employee Savings Plan if you are:

- A leased employee.
- A non-resident alien with no U.S. income.
- An employee based in Puerto Rico.
- An independent contractor or fee-for-service worker, even if reclassified as a common law employee.
- A member of a collective bargaining unit (union), unless your collective bargaining agreement provides that you may participate in the BP Employee Savings Plan.
- Covered by an agreement specifying that you are not eligible to participate in the BP Employee Savings Plan.
- Receiving employer contributions under another company tax-qualified defined contribution plan.
- An Air BP hourly employee of the Into Plane Fueling and/or Fuel Systems operation (except Cleveland site).
- An employee of BP Products North America Inc. employed in the Elite Customer Solutions Center USA (ECSC) after June 30, 2005, with the exception of an employee who meets all of the following:
  - Who was an eligible employee participating in the plan as of June 30, 2005,
  - Has continuously remained an eligible employee under the plan after June 30, 2005 and
  - Became employed by ECSC before January 1, 2008.
- A salaried employee of BP Products North America Inc. below Level I hired after August 31, 2005, in support of the U.S. Convenience Operations site payroll and benefits.
- An at-site salaried employee of BP West Coast Products LLC, on or after January 1, 2005.
- A BP Solar employee on or after January 1, 2008.
- An employee who is eligible for the BP Partnership Savings Plan, even if temporarily assigned (for not more than 12 months) to a position in support of U.S. Convenience Retail operations for which the employee would otherwise be eligible under this plan.
- Not classified as an employee on a participating employer's payroll, even if you are reclassified as a common law employee by a third party.



## How to enroll

If you are eligible to participate, you can enroll anytime through BP Retirement Services at Fidelity.

The first time you access BP Retirement Services at Fidelity, the system will prompt you for personal information so you can establish your personal identification number (PIN). The personal information may include your Social Security number, your birth date or your mailing address. Information required to set up or change your PIN may vary over time for account security purposes.

Online	By phone
<p>NetBenefits<sup>SM</sup>:</p> <ul style="list-style-type: none"> <li>• <a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a>.</li> </ul> <p>You can:</p> <ul style="list-style-type: none"> <li>• Create or change your personal identification number (PIN).</li> <li>• Access information, including: <ul style="list-style-type: none"> <li>• How much you and the company have contributed to your account.</li> <li>• Your estimated account balance at different retirement dates.</li> <li>• Tools for retirement modeling.</li> <li>• Plan literature.</li> </ul> </li> <li>• Designate your beneficiary.</li> </ul>	<p>BP Retirement Services at Fidelity:</p> <p>Call Fidelity directly:</p> <ul style="list-style-type: none"> <li>• Within the U.S.: 1-877-272-3334.</li> <li>• Outside the U.S.: dial the AT&amp;T access number of the country you are in. When prompted, dial 1-877-272-3334. Or, call collect at (508) 787-9902.</li> <li>• Hearing or speech impaired: 1-888-343-0860.</li> <li>• Representatives (available Monday — Friday, 7:30 A.M. — 11:00 P.M., central time).</li> </ul>

## When participation begins

You are eligible to enroll in the plan on your first day of employment or as soon as administratively possible, as long as you meet the eligibility requirements.

When you enroll in the BP Employee Savings Plan, you will need to:

- Determine the percentage of eligible earnings to contribute to the plan (in whole percentages).
- Determine the type of contribution to make (before-tax, after-tax and/or Roth 401(k)).
- Choose the investment allocation for all contributions (employee and employer company match).
- Designate a beneficiary to receive your BP Employee Savings Plan benefits if you die.

By enrolling in the BP Employee Savings Plan, you authorize your employer to take payroll deductions each pay period based on the percentage of eligible pay you elect to contribute. Contributions to the BP Employee Savings Plan will begin as soon as administratively possible after you enroll—normally one or two pay periods after you enroll.

## **When participation ends**

Your *active* participation in the plan ends when you are no longer employed by any participating employer or when you become employed in a position that is not eligible to participate in the plan. When your active participation ends, you are no longer eligible to contribute to the plan or take loans.

However, you remain a participant for purposes of sharing in investment gains and losses, changing your investment direction and receiving plan information until your account balance is distributed and/or forfeited.

By law, you must start receiving your vested BP Employee Savings Plan account no later than April 1 of the year following the calendar year in which you reach age 70½ or terminate employment, if later. Additional required distributions must be made by December 31 of each year thereafter.

## Beneficiary designation

When you enroll in the BP Employee Savings Plan, you should designate a beneficiary to receive any benefits that may be payable from your account in the event of your death.

- **If you are married**, your spouse is automatically your beneficiary. If you want to name someone other than your spouse, your spouse must consent in writing each time you make a new designation. A notary public must verify that consent.
- **If you are not married**, you may designate anyone you wish to be your beneficiary and may change this designation as often as you like. If you do not designate a beneficiary, if no designated beneficiary survives you or if your beneficiary designation was not filed properly, your account will be paid to your estate upon your death.

You can name one person, more than one person or a trust or other legal entity as your primary beneficiary. You can also name a secondary beneficiary, or contingent beneficiary, to receive your account in the event your primary beneficiary(ies) dies before you. If you name more than one primary beneficiary and one of those beneficiaries does not survive you, his or her portion will be shared equally among any remaining beneficiaries of the same type (primary or contingent), except to the extent otherwise provided on the applicable beneficiary form. Payment will be made to your contingent beneficiary(ies) only if there is no surviving primary beneficiary(ies).

You should be aware of some additional provisions that apply to beneficiary designations:

- Your beneficiary designations cannot be changed by anyone after your death.
- No beneficiary can refuse to accept his/her benefit.
- A divorce does not automatically revoke your former spouse as a designated beneficiary. You must change your beneficiary designation to replace him or her.

Please be aware that a qualified domestic relations order (QDRO) may affect your beneficiary designation. If you are impacted by a QDRO, please refer to your court documentation for information about any required named beneficiaries.

To designate your beneficiary or change your designation, contact BP Retirement Services at Fidelity online or by phone. Properly complete any required forms, such as a notarized consent, and return them to BP Retirement Services at Fidelity for your new or changed beneficiary designation to become effective. **If required forms aren't completed properly or accepted by BP Retirement Services at Fidelity, your designation is not valid.**

## How the plan works

### Important information about the BP Employee Savings Plan

Participation in the BP Employee Savings Plan (ESP) is entirely voluntary.

As a participant in the plan, an account is set up in your name. You elect a percentage of your eligible pay to contribute each pay period, up to plan and legal limits. In addition to choosing how much to save, you also choose how you want the contributions deducted from your pay check – before-tax, after-tax, Roth 401(k) or a combination of all three. You may change the amount you contribute, stop contributions, or begin contributing at any time.

BP makes a company matching contribution equal to 100% of every dollar you contribute (excluding rollover contributions), up to 7% of your eligible pay each pay period.

As a participant in the plan, all contributions and investment gains or losses are reflected in your plan account. You choose how your savings are invested from a wide variety of investment options. You assume all investment risk. You can invest in over 200 funds available in the plan's Target Date Funds, Core Investment Options and Mutual Fund Window. For more information on the investment options available in the BP Employee Savings Plan, refer to the ***Investment Options Guide***.

As an active employee, you may borrow from your account and, in certain situations, make withdrawals. When you leave BP, you may choose from several distribution options, including a rollover distribution to another employer's qualified plan or IRA, or you may leave your account in the BP Employee Savings Plan under certain conditions.

You may view your account information securely online via Fidelity's NetBenefits site, or you may receive printed quarterly statements. If you elect the online feature, you'll have access to your account balances and your personal rate of return for any month or calendar quarter within the last 24 months. No matter how you decide to review your account — quarterly hardcopy statements or online — you will receive a paper statement and Quarterly Investment Performance Statement annually following the fourth quarter of each year.

## Your contributions

You may contribute from 1% to 100% (subject to certain limits) of your eligible pay to the plan. When you contribute to the BP Employee Savings Plan on a before-tax basis, your contribution is not subject to current federal and, in most cases, state or local income taxes while held in the plan. However, your before-tax contributions are subject to federal employment taxes (i.e., FICA).

Your contributions are made through automatic payroll deductions and are transferred to the plan trustee after each payroll cycle as soon as administratively possible.

## Contribution Sources-Key Features

### Before-Tax Savings

- Each dollar you contribute to the plan on a before-tax basis is a dollar that is not included in your taxable income for that calendar year. So you do not pay taxes on that money (including any investment income) until it is distributed from the plan.
- Before-tax contributions do not reduce the amount of your eligible pay that is used to calculate pay-related benefits, such as life insurance, disability insurance or retirement benefits.
- Social Security taxes are based on your unreduced pay, your Social Security benefits will not be affected by your contributions to the plan.
- You are always 100% vested in the market value of your before-tax contributions.

### After-Tax Savings

- Any gains or income you earn from your investment options accumulate on a tax-deferred basis.
- You save through convenient payroll deductions.
- You can take an in-service withdrawal of your after-tax contributions. (In contrast, withdrawals from your before-tax and Roth 401(k) contribution sources are restricted.)
- You are always 100% vested in the market value of your after-tax contributions.

### Roth 401(k) Savings

- You pay taxes on your contributions now at current tax rates, so if tax rates are higher at time of distribution you are better off.
- Any gains or income you earn from your investment options are tax-free when distributed in a qualified distribution. A qualified distribution is a distribution that is made five taxable years after you make your first Roth 401(k) contribution and after you reach age 59½, die or become disabled.
- You are always 100% vested in the market value of your Roth 401(k) contributions.

The following example shows how making before-tax contributions instead of after-tax contributions can increase take-home pay. The example is based on a married employee who files a joint tax return with two allowances. The employee earns \$32,000 in eligible pay and decides to save 10% of that amount.

	Before-tax savings	After-tax/Roth 401(k) savings
Eligible pay:	\$32,000	\$32,000
Before-tax savings (at 10% of eligible pay):	- \$3,200	- 0
Taxable income:	\$28,800	\$32,000
Federal income tax*:	\$1,512	\$1,944
After-tax savings (at 10% of eligible pay):	- 0	- \$3,200
Annual take-home pay:	\$27,288	\$26,856
<b>Difference in take-home pay:</b>	<b>\$432</b>	

## Contribution limits

You may designate whatever whole percentage of eligible pay you wish to contribute, subject to the following limits:

- **Before-tax and Roth 401(k) contribution limit** of \$15,500 for 2008 to this and any other 401(k) plan allowing before-tax and/or Roth 401(k) deferrals under Code section 402(g). If you are age 50 or older in 2008, this limit is \$20,500, because it includes an additional \$5,000 for catch-up contributions. This is an annual dollar limit set by the Internal Revenue Service (IRS).

If you hit this limit (including catch-up contributions if applicable) during the year, your employee contributions will automatically change from before-tax and/or Roth 401(k) to after-tax. If you do not want to participate on an after-tax basis, you must discontinue your contributions; however, be aware that you may lose company matching contributions if you do so. If you continue to participate on an after-tax basis, your contributions will automatically revert to before-tax and/or Roth 401(k) at the beginning of the next year.

If you are a new employee, this limit applies to your combined before-tax and Roth 401(k) contributions to all 401(k) plans in which you have participated during the calendar year. As a result, you must keep track of your contributions — including catch-up contributions, if applicable — and request a refund of those that exceed the limit by contacting your previous employer or BP Retirement Services at Fidelity. (The deadline for making this request to BP Retirement Services at Fidelity is March 15 of the year following the year in which your contribution exceeds the limit.)

- **Combined employee and employer company contribution limits.** The IRS limits total annual additions to savings plans under Code section 415 — both employee and employer contributions. However, catch-up contributions do not count against this limit. This annual limit is \$46,000 for 2008.

If you reach the annual additions limit (\$46,000 in 2008), your contributions will stop. However, your contributions will automatically resume at the beginning of the next year. If your annual additions reach this limit, you may be eligible for a non-qualified savings plan benefit. If at anytime you lower your contribution percentage below 7% you will not receive the full company matching contribution under the plan (or non-qualified plan, if applicable). Contact BP Retirement Services at Fidelity for more information.

If you are a new employee, this limit is not aggregate with multiple employers.

- **Eligible pay.** The IRS also places an annual limit on the amount of eligible pay that can be recognized under the plan under Code section 401(a)(17). For 2008, this annual limit is \$230,000. However, if your pay is over this limit, you may be eligible for a non-qualified savings plan benefit. Contact BP Retirement Services at Fidelity for more information.

If you are a new employee, this limit is not aggregate with multiple employers.

Your actual contribution percentage may be lower because of tax withholding and certain other payroll deductions that BP places as a higher deduction priority (i.e., federal, state and local taxes, health and protection benefit deductions, etc.) or because an applicable tax limit is reached. For example, if you elect to contribute 75% of your eligible pay to the BP Employee Savings Plan, your actual contribution may be only 60% after other payroll deductions are taken. Depending on your contribution rate and other payroll deductions, your take home pay (or direct deposits) could be significantly reduced or eliminated. However, you can adjust your contribution rate prospectively at any time.

The BP Employee Savings Plan must also satisfy legal non-discrimination rules, designed to ensure that qualified retirement plans do not pay a disproportionate portion of their benefits to highly compensated employees. If you are a highly compensated employee, your contributions — other than catch-up contributions, which are not subject to these rules — may need to be reduced or partially refunded in order for the plan to comply with these rules. You will be notified if you are affected.

## Catch-up contributions

In any year in which you are (or reach) age 50 or older, you are eligible to make before-tax and/or Roth 401(k) contributions in excess of the annual limit (\$15,500 in 2008) and the total contribution level (\$46,000 in 2008). These contributions are referred to as "catch-up contributions." The maximum catch-up contribution for 2008 is \$5,000, so your total before-tax and/or Roth 401(k) savings opportunity for 2008 — if eligible — is \$20,500.

Eligibility for catch-up contributions is based on your date of birth as found in payroll records. It is your responsibility to make sure the date on file is correct. Corrective changes will not be made if you have not verified your date of birth in a timely manner.

When you reach the increased annual before-tax and Roth 401(k) contribution limit (including the catch-up contribution), your employee contributions will automatically convert to after-tax for the remainder of the year, unless you choose to discontinue contributions. They will revert back to before-tax and/or Roth 401(k) contributions at the beginning of the next year. All your employee contributions — including catch-up contributions — will be matched by the company up to 7% of eligible pay.



## Rollover contributions

If you are an active employee or if you are a participant with an account balance and elect a lump sum distribution from another tax-qualified plan (including the BP Retirement Accumulation Plan once you leave BP) or Individual Retirement Account (IRA), you may be able to "roll over" your distribution directly into the BP Employee Savings Plan. You are always 100% vested in the market value of your rollover contribution.

To make a rollover contribution, you will need to follow specific procedures available from BP Retirement Services at Fidelity. Before making a rollover, you should keep in mind that:

- Taxable distributions can be rolled over from a tax-qualified plan or IRA either directly or indirectly. Only a direct rollover is permitted from a Roth 401(k) plan or Roth IRA.
- Non-taxable distributions can only be rolled over via a direct rollover from tax-qualified plans (not from IRAs). Also, note that the plan will not track tax-basis in any non-taxable amounts rolled into the plan. This means, for example, that you will lose any tax advantage in pre-1987 after-tax contributions made to the prior plan.

To request a rollover into the plan, contact Fidelity or go online at [netbenefits.fidelity.com](http://netbenefits.fidelity.com).

## Eligible pay

Your BP Employee Savings Plan contributions are based on a percentage of your eligible pay. For purposes of the plan, eligible pay includes the following components of your pay:

- Basic salary or wages (including before-tax contributions for benefits).
- Overtime pay.
- Shift and rate differentials.
- Pay based on piecework.
- Payment by mileage for drivers.
- Commissions.
- Payments made under an annual incentive plan at the business or stream level.
- Lump sum performance awards paid in connection with annual salary administration.
- Payment from a deferred compensation plan, if paid before your termination.
- Pay in lieu of vacation.
- Fire brigade pay for represented employees at the Carson Business Unit.

When you leave BP, keep in mind that any of these eligible forms of payment received beyond 30 days following your last date of employment will generally not be considered eligible pay.

Eligible pay does not include the following components of your pay:

- Sign-on, retention or ratification payments.
- Relocation payments or allowances.
- Educational assistance reimbursement.
- Expense allowances or premium pay based on your work site.
- The value of any stock award or long-term incentive payment.
- The value of any share appreciation right or stock option grant or exercise.
- Spot awards, reward or recognition payments or any other comparable payments.
- Severance or separation payments.
- Additional pay to compensate you for working during all or part of a 60-day period following notice in connection with a severance or separation program.
- Deferred compensation (including salary, bonus or variable pay). This may be eligible for a non-qualified plan benefit.
- Tax reimbursements.
- Payments made under an annual incentive plan in connection with an employee's termination of employment paid before the time that payments are made to similarly situated active employees of the business unit or stream.
- Payments excluded as eligible pay under the plan by an employment contract or bonus plan.
- Amounts deferred under the BP p.l.c. Deferred Annual Bonus Plan 2005 or Medium Term Performance Plan 2005.
- Annual Incentive Payments not intended to be benefits bearing.
- Any other compensation not described as eligible pay above.

## Changing your contribution

After you enroll in the BP Employee Savings Plan, you may change your contribution amount — in 1% increments — or stop contributing or restart your contributions at any time before you terminate employment. Changes are effective as soon as administratively possible.

If you reduce your contribution amount to less than 7% of eligible pay or stop contributing entirely, your company match contributions will likewise be reduced or stopped.

To change or stop your contributions, contact BP Retirement Services at Fidelity.

## Company matching contributions (also referred to as Employer Contributions)

You receive a dollar-for-dollar company match on the first 7% of eligible pay you contribute to the BP Employee Savings Plan each pay period. Your company matching contributions and any investment income on those contributions are subject to a vesting requirement.

Here is an example of how company match contributions are calculated. In this example, a BP employee earns \$32,000 in eligible pay and saves 10% of that amount.

Company Match Contributions	Amount
BP Employee Savings Plan contribution (\$32,000 X 10%)	\$3,200
BP's company match — 100% of the employee contribution up to 7% of eligible pay (100% x 7% x \$32,000)	+ \$2,240
<b>Total annual contribution (excluding investment gains or losses)</b>	<b>\$5,440</b>

Company matching contributions are credited to your company match contribution account source and invested the same way as your employee contributions. If you have not set an investment direction for your employee contributions, your company matching contributions will be automatically invested in the Target Date Fund appropriate for your expected retirement date (assumed to be age 65) at the time the contribution is made, but you may exchange into other investment options at any time. Please see the ***Investment Options Guide*** for more information regarding the Target Date Funds.

## Vesting

Your right to ownership in your BP Employee Savings Plan account is known as vesting. You're always 100% vested in the value of your before-tax and Roth 401(k) contributions (including catch-up contributions), your after-tax contributions and your rollover contributions. That means you will be entitled to receive 100% of the market value of these contributions when you leave BP, regardless of your length of service.

You are fully vested in your employer company matching contributions when:

- You have completed at least three years of vesting service with the company.
- You reach at least age 65 while employed by BP.
- You become totally and permanently disabled.
- You die while employed by BP.

You may also become 100% vested in your company matching contributions immediately if you terminate employment under the following conditions:

- Involuntarily as a result of a sale of all or part of your employer to an unrelated entity, the closing of a facility or the cessation of operations at a facility.
- Under the terms of a written severance plan adopted by the company.
- Involuntarily as a result of your employment function being outsourced in accordance with a contract between the company and the other party.
- Under a separation agreement between you and the Company.

This special vesting provision does not apply to term contract employees.

Note: If you previously performed services as a leased employee for BP or a predecessor company (e.g., Amoco, BP America, ARCO, Vastar or Castrol) while you were employed as an employee of a leasing organization (such as Kelly Services, Clover, Zero Chaos, NANA, etc.), you may be eligible to receive vesting service credit under your BP retirement and savings plans. If you believe that you qualify for this service credit, please contact Human Resources. You may be required to provide documentation that substantiates the dates you performed services for BP.

If you leave BP for any reason — other than those noted above — and you are not yet vested, your company matching account will be forfeited and the money will be used to reduce future employer contributions or reduce plan expenses.

### If you participated in a heritage\* savings plan

If you were already 100% vested in a heritage savings plan, you are automatically vested in your BP Employee Savings Plan company matching contributions.

\*A heritage participant is a participant in a predecessor employee savings plan that was merged into the BP Employee Savings Plan.

### Earning vesting service while on a leave of absence

Regardless of whether your leave of absence is paid or unpaid, you will continue to earn credit toward vesting service during the period you are on an approved leave. The amount of credit you can earn depends on the type of leave you take:

- If you are on a medical/long-term disability leave, you may earn up to 24 months of service.
- If you are on a family medical leave, you may earn up to 12 months of service.
- If you are on a military leave, you will earn service for your entire absence from work, as long as you return to work within the time period prescribed by law.
- If you are on any other type of approved leave, you may earn up to 12 months of service.

### Earning vesting service while you're disabled

If you become totally and permanently disabled (as defined under BP's Long-Term Disability Plan) while you are employed by BP, you will automatically become 100% vested in your company matching contributions if you were not already vested.

## Loans and Withdrawals

The BP Employee Savings Plan is designed as a long-term savings program that will provide benefits after your employment with the company ends. However, there may be times when you need to access to your account while you are still employed; so the plan allows loans and withdrawals under certain circumstances. You should understand how taking a loan or withdrawal will affect your ability to save for retirement before you take a loan or withdrawal.

## Types of loans

Two types of loans are available: general purpose loans and residential loans. You may take a general purpose loan for any reason. Residential loans can be used only to purchase your principal residence. Applications for residential loans require submittal of a sales agreement.

The minimum amount you may borrow from your BP Employee Savings Plan account is \$1,000. Special rules apply for participants on a military leave from BP. For information, contact BP Retirement Services at Fidelity.

The maximum amount you may borrow from your BP Employee Savings Plan account is 50% of your vested balance or \$50,000, whichever is less. Any outstanding loans you have taken over the previous 12 months under a BP savings plan reduce the amount available to borrow.

You may have no more than two loans outstanding at one time.

## Interest rate on plan loans

The interest rate on any loan you take out from your BP Employee Savings Plan account will be based on the prime rate as indicated in *The Wall Street Journal* on the last business day of the previous quarter, plus 1%. Once established, the rate is fixed and won't change for the term of your loan. So, if the interest rate is 9% on March 31 (a business day), the interest rate for a loan initiated June 1 is 10%.

## How to apply for a plan loan

You may apply for or model a loan from your BP Employee Savings Plan account through BP Retirement Services at Fidelity. In addition to the loan amount, a loan setup fee of \$35 will be charged against your account each time you take out a loan. This setup fee may be changed from time to time. There is no charge for modeling a loan.

Unless you elect otherwise by speaking with a BP Retirement Services Participant Service Representative at Fidelity, your loan will be prorated across your plan investment options. Your loan and setup fee will be taken from the contribution sources in your BP Employee Savings Plan account in the following order:

- Before-tax.
- Before-tax catch-up.
- Before-tax rollover.
- Roth 401(k).
- Roth 401(k) catch-up.
- Roth 401(k) rollover.
- Company match.
- After-tax.
- After-tax rollover.

If you apply for a loan and satisfy the conditions that apply to your application, you will be sent a check or electronic funds transfer (EFT), if elected, for the amount of the loan. The loan agreement that contains a truth-in-lending disclosure will be sent to you or provided online if EFT elected. You should read the loan agreement carefully before endorsing your loan check or endorsing online, as your endorsement will bind you to the terms of the loan agreement.

## Repayment of plan loans

If you take a loan from your BP Employee Savings Plan account, your loan repayments — including principal and interest — are automatically deducted in equal amounts from each paycheck on an after-tax basis. If you have an outstanding loan and you are not receiving a paycheck from a participating employer (for example you have terminated employment with BP or you are on an unpaid leave of absence), a kit to set-up automatic payments via Direct Deposit will be provided. If you do not respond, a coupon book will be sent. Contact BP Retirement Services at Fidelity for more information.

Your loan payments are credited back to your account in reverse order that they were taken out. If you are making contributions at the time of the repayment, the loan payments are invested according to your current investment direction.



If you do not make a loan payment when due, your entire loan balance is considered in default and will be treated as a withdrawal. Withdrawals are subject to regular income taxes, including — if applicable — a 10% early withdrawal penalty, unless you make full payment of your missing payment(s) within a 90-day grace period. If you default on a loan, you must repay the defaulted loan (plus interest) before you take out a new loan.

The minimum repayment period is six months. The maximum repayment period for a general purpose loan is five years. However, if the loan is for the purchase of your principal residence, the maximum loan repayment period is 15 years.

### **Prepayment of plan loans**

You may prepay the total unpaid balance of your loan at any time without penalty. To arrange for prepayment, contact BP Retirement Services at Fidelity. You can always make additional payments by check and the amount will be applied to the principal.

## In-service withdrawal

While you are working at BP, you may be able to take an in-service withdrawal from all or a portion of your BP Employee Savings Plan account.

Withdrawals allow you to access your account while you are an active employee and do not require repayment of the benefit you've received. In-service withdrawals are subject to certain rules, based on the type of contribution (before-tax, Roth 401(k), after-tax, etc.).

Contribution Type	Amount Available	Limitations
Before-tax (including catch-up)	<ul style="list-style-type: none"> <li>The entire amount, if you are at least age 59½.</li> <li>The amount required to meet your financial need, if you qualify for a hardship withdrawal.</li> <li>None, if you are not yet age 59½ and do not qualify for a hardship withdrawal.</li> </ul>	<p>If you are under age 59½ and have an immediate financial need, you will have to access all other plan loans or withdrawals from all BP plans before you can request a hardship withdrawal.</p> <p>Special rules apply to ARCO heritage participants and ARCO heritage participants who are permanently and totally disabled. Contact BP Retirement Services at Fidelity for more information.</p>
Roth 401(k)	<ul style="list-style-type: none"> <li>The entire amount, if you are at least age 59½.</li> <li>The amount required to meet your financial need, if you qualify for a hardship withdrawal.</li> <li>None, if you are not yet age 59½ and do not qualify for a hardship withdrawal.</li> </ul>	<p>If you are under age 59½ and have an immediate financial need, you will have to access all other plan loans or withdrawals from all BP plans before you can request a hardship withdrawal.</p>
After-tax	The entire amount.	Pre-1987 contributions will be withdrawn first. Both after-tax contribution sources are combined for determining the taxability of withdrawals.
Company match	The entire vested portion of your account.	If you are vested but have participated in this plan and/or a heritage savings plan for less than five years, you may withdraw only the portion of your company matching contribution that has been in this plan and/or your prior heritage savings plan for at least two years.
Before-tax rollover	The entire amount.	None.
Roth 401(k) rollover	The entire amount.	None.
After-tax rollover	The entire amount.	None. Both after-tax contribution sources are combined for determining the taxability of withdrawals.

## How to request a withdrawal

To determine how much you may have available for an in-service withdrawal or to request a withdrawal, contact BP Retirement Services at Fidelity.

You will receive a single cash payment of your withdrawal amount, unless you elect an in-kind distribution of any amount invested in the BP Stock Fund by speaking with a BP Retirement Services Participant Services Representative at Fidelity. Your withdrawal will be taken from your contribution sources according to your request. Unless you elect otherwise by speaking with a BP Retirement Services Participant Services Representative at Fidelity, your withdrawal will be prorated across your investment options.

## Hardship withdrawals

If you are not yet age 59½, you may apply to take a hardship withdrawal of your before-tax contributions or Roth 401(k) contributions only if you satisfy IRS rules about financial hardship withdrawals. You must provide acceptable proof that you have a severe financial hardship before your withdrawal can be approved. To qualify for a financial hardship withdrawal under IRS rules, you must:

- Need the money for an immediate and severe financial need.
- Not be able to meet the need by stopping contributions to the plan.
- Have no other funds available to you, your spouse or your minor children to meet this need, including reimbursement or compensation by insurance, liquidation of assets or loans, including loans or withdrawals from the plan.
- Withdraw only enough money necessary to meet this need (including any federal, state and local taxes, and penalties).
- You have an immediate financial need if you experience any of the following:
  - For the purchase or construction of your principal residence (excluding mortgage payments).
  - To pay expenses for the repair of damage to your primary residence that would qualify for a casualty deduction on your federal income tax return (determined without regard as to whether the loss exceeds 10% of adjusted gross income).
  - For the payment of tuition, related post-secondary education expenses, and room and board expenses for the next 12 months for yourself, your spouse, your child or any other person who is your dependent for federal income tax purposes.
  - To prevent eviction from or foreclosure on your principal residence.
  - To pay for certain uninsured medical expenses for yourself, your spouse, your child or any other person who is your dependent for federal income tax purposes (determined without regard as to whether the loss exceeds 7.5% of adjusted gross income).
  - To pay funeral expenses for your spouse, your child or any other person who is your dependent for federal income tax purposes.
  - To pay for other expenses that the IRS deems an immediate and heavy financial need.

In addition to the amount you need for any of these expenses, you may withdraw enough of your account to pay the taxes you'll owe on your withdrawal.

When you apply for a hardship withdrawal, you will be required to provide proof of hardship. Once you have received the withdrawal, you will not be allowed to make contributions (including catch-up contributions) to your BP Employee Savings Plan account or receive employer company matching contributions for the following six months.

All or a portion of your hardship withdrawal is considered taxable and is subject to penalties. In addition, hardship withdrawals cannot be rolled over to an individual retirement account (IRA) or another qualified retirement plan.

## Withdrawals for Employees Called to Active Military Duty

As allowed under the Heroes Earnings Assistance and Relief Tax Bill of 2007, if you are a reservist or national guardsman called to active duty after September 11, 2001, and serve for six months (180 days) or more, you may withdraw some or all of your contributions to the plan without having to pay the 10 percent early withdrawal penalty. However, regular income taxes continue to apply to these payments in most cases. Also, you may redeposit all or part the withdrawal amount to an Individual Retirement Account (IRA) within two years after the end of your active duty.

## Tax consequences of withdrawals

Taxable withdrawals from your BP Employee Savings Plan account are taxed as ordinary income in the year withdrawn. If you have not left BP and are not yet age 59½, you also may be subject to a 10% tax penalty for early withdrawal, unless you elect a rollover of your non-hardship withdrawal to an individual retirement account (IRA) or another qualified retirement plan.

Withdrawals from your Roth 401(k) account that are not “qualified distributions” have additional tax consequences. See **Special Tax Considerations for Roth IRA** for more information.

A federal income tax withholding of 20% applies to the taxable portion of withdrawals that are eligible for rollover but are not directly rolled over to another tax-qualified plan or IRA. You also may be responsible for state and local taxes.

Withdrawals are generally considered taxable and may also be subject to penalties and withholding. Of course, income tax laws are complex and subject to change. It is a good idea to consult a tax advisor to learn about the impact each BP Employee Savings Plan withdrawal option has on your personal situation before you request a withdrawal.

To avoid the tax consequences of withdrawing from your BP Employee Savings Plan account, you may want to consider a plan loan instead.

## Investment options

The BP Employee Savings Plan allows you to choose from more than 200 investment options. You decide which options best suit your long-term investment needs and then set your investment direction. Your investment direction applies to both your contributions and company matching contributions.

Remember, it's important to review your investments periodically, and to rebalance your allocation or adjust your investment strategy. Generally, you can change your investment direction for new contributions or exchange your account balance at any time. An exchange is a request to transfer all or a portion of your existing balance in one or more investment options into another investment option(s). When you make an exchange, you will receive a confirmation from BP Retirement Services at Fidelity. If you find an error or discrepancy in your confirmation, you must contact BP Retirement Services at Fidelity immediately.

You should also consider the benefits of maintaining a diversified investment portfolio. In general, spreading your assets across different types of asset classes (such as stocks, bonds and short-term investments) may lower your portfolio's overall risk. This is because market or other economic conditions that can cause one asset class or particular security to perform well may cause another asset class or specific security to perform poorly. Although diversification is not a guarantee against loss, it can be an effective strategy to help you manage investment risk.

As part of understanding your investment options, it is also important to know the cost (fees and expenses) of your investments, since cost can impact your net return (investment results after fees and expenses are deducted).

You have sole responsibility for choosing those investment options in which you invest. Neither the company nor any other plan fiduciary is liable for any loss in value of your investment holdings resulting from your exercise of your investment responsibility to the extent permitted under Section 404(c) of ERISA. Under ERISA Section 404(c), participants and beneficiaries bear responsibility for their investment decisions. The plan's fiduciaries may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by participants and beneficiaries.

The BP Employee Savings Plan includes three broad categories of investment options:

- Target Date Funds, which were added February 1, 2008, are pre-mixed portfolios that provide the potential for you to invest in a single fund from the time you begin contributing to the plan until your retirement.
- Core Investment Options, which comprise more than 15 options that are mostly index-oriented options (other than the BP Stock Fund, the Income Fund and the Short-Term Investment Fund). They are structured so as to minimize the impact of management and other fees on their performance and are generally lower cost alternatives to the funds offered through the Mutual Fund Window.
- The Mutual Fund Window, which includes approximately 185 mutual fund options from more than 30 mutual fund families.

Any of the plan's investment options may be changed, closed to new investments or eliminated at any time and without prior notice.

Read the entire *Investment Options Guide*, the most recent Quarterly Investment Performance Statement and any *Updates* for a more complete description of all the investment options described in this summary and for information about selecting your investment options. The provisions of the *Investment Options Guide* are incorporated into this summary. Contact BP Retirement Services at Fidelity if you would like a printed copy of the *Investment Options Guide*.

A complete list of all of the investment options available under the Employee Saving Plan is contained in the *Investment Options Guide*.

## Setting and changing your investment direction and exchanges

You may set or change your investment direction for all contributions — both employee and company — as often as you would like by contacting BP Retirement Services at Fidelity either online or by phone. You may also make exchanges among investment options in your account as often as you would like.

Read the *Investment Options Guide* and Updates for information about any restrictions or limitations on your investment direction, exchanges or other plan transaction requests. In addition, the *Investment Options Guide* describes the fees and expenses associated with investment options in the BP Employee Savings Plan.

If you do not set an investment direction when you enroll in the BP Employee Savings Plan, your employee contributions, employer company matching contributions and any rollovers will be automatically invested in the Target Date Fund appropriate for your expected retirement date (assumed to be age 65) at the time the contributions are made. You can change this direction at any time.